MPA-015: PUBLIC POLICY AND ANALYSIS
Assignment (TMA)

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This assignment consists of Sections I and II. There are five questions in each section. You have to answer a total of five questions in about 500 words each. It is necessary to attempt at least two questions from each section. Each question carries 20 marks.

SECTION-I

1) Discuss the significance of policy sciences and highlight its relevance to public policy in the contemporary context. 20

2) Examine the rational policy-making model. 20

3) Describe the current paradigm shift in Indian public policy by highlighting the constraints in public policy formulation. 20

4) "Civil society is playing an important role in policy-making." Examine. 20

5) Describe the role of various implementing agencies in policy delivery. 20

SECTION-II

6) What are the various types of problems in policy implementation? Justify the need for following multiple approaches in the study of policy implementation. 20

7) How simulation models are more appropriate than optimisation models? 20

8) Explain the methods and techniques in policy analysis. 20

9) Describe the methods of policy evaluation. 20

10) Discuss the disinvestment policy and highlight its impact at the state level. 20

ASSIGNMENT SOLUTIONS SAMPLE(2021-2022)

MPA-15

Public Policy and Analysis

Disclaimer/Special Note: These are just the sample of the Answers /Solu tions to some of the Questions given in the Assignments. These Sample Answers /Solu tions are prepared by Private Teacher/Tutors/Authors for the help and guidance of the student to get an idea of how he/she can answer the Questions given the Assignments. We do not claim 100% accuracy of these sample answers as these are based on the knowledge and capability of Private Teacher /Tutor. Sample answers may be seen as the Guide/Help for the reference to prepare the answers of the Questions given in the assignment. As these solutions and answers are prepared by the private Teacher/Tutor so the chances of error or mistake cannot be denied. Any Omission or Error is highly regretted though every care has been taken while preparing these Sample Answers/Solutions. Please consult your own Teacher/Tutor before you prepare a Particular Answer and for up-to-date and exact in formation, data and solu tion. Student should must read and refer the official study material provided by the university.

SECTION-I

Q. 2. Examine the rational policy-making model.

Ans. Rational Policy-Making Model: Rationality and rationalism are two words used in the literature of social science but are not practiced in policy-making. Rationality is considered as the 'yardstick of wisdom' in policy-making and focuses on the policy making in making a choice among the policy alternatives on rational grounds. Rational policy-making believes in choosing the one best option.

The Rational Policy-making model is based upon the thought of "choosing the one best option". Different scholars have different views on this aspect:

According to Thomas Dye ' a policy is rational when it is most efficient. i.e., if the ratio between the values it achieves and the values it sacrifices is positive and higher than any other policy alternative'.

Robert Haveman analysed that a rational policy is one that is designed to maximize 'net value achievement'.

Therefore the policy-makers should be rational in nature and should have the qua!ities like the ability to identify and to determine the goals, ranking the goals in order of importance, identifying the possible policy alternatives for achieving the goals and also should be able to do the cost benefit analysis of policy alternatives.

The policy, maker should know the society value preferences and the policy alternatives and should be able to compare the consequences of policy alternative. He should be able to clarify the goals and objectives and finally should be able to select the most efficient policy alternatives that match with the goals and objectives.

According to Simon, the policy maker should simplify the problem breaking its complexity into smaller and understandable parts and then choose the best and satisfactory optio n. The process of rational policy making involves the following steps:

- Identifying the problem by setting the goal priorities.
- Identifying the policy alternatives.
- Calculating the cost and the benefits of the alternatives.
- Comparing the alternatives and finding the one with the higher benefits.
- Finally, selecting the most efficient policy alternatives.

After all this stage comes monitoring while implementing the policy. Then comes the feedback stage in which the necessary modifications and corrections are made.

Constraints to Rationality: There are many constraints to rational decision-making. Some of these are as follows:

(i) **Accomplishing Goals:** Because rational policy making is a difficult exercise , it becomes very difficult to accomplish goals and therefore it becomes a mere exercise than the actual realization of set of goals .

(ii) **Securing Optimization:** The rational policy-making is expected to produce optimal results. The public interest considered to be more important than being merely the sum of individual interests in the policy.

(iii) **Conflict between Rational Choice and Need for Action:** Another constraint to rationality is the conflict between the rational choice and the need for action. The policy-makers are more concerned with their own rewards in the form of power and are not motivated to make decisions on rationality basis. The proper time is needed for careful analysis which becomes short in case of an emergency.

The values of the policy-makers conflict and therefore there is no consensus between them.

(iv) **Dilemma of Political Feasibility:** Next constraint to rationality model is the dilemma of political feasibility. Political feasibility means "the probability that however rational and desi rable, a policy option would actually be adopted and implemented by the political system" . The politicians are in a dilemma and uncertain about the consequences of the new policy which forces them to stick to previous policies . Also the fear ofloosing their chance in re-election , the elected officials do not prefer the rationality in policy-making.

(v) **Problem of Cost-Benefit Analysis :** Because of fear of social, eco nomic, political and cultural values at stake, it becomes difficult to analyse the cost-benefit ratios. It is also not easy for the policy-maker to assess the alternatives to arrive at rational decisions as it requires making hard choices. Gathering of information of policy alternatives involves a lot of time and cost which becomes another constraint in information gathering.

(vi) **Nature and Environment of Bureaucracy:** The nature and environment of bureaucracy is another hurdle to policy alternative. Some factors that limits the bureaucracy includes fragmentation of authority, satisfying personal goals, conflicting values, limited technology, etc.

To sum up, we conclude that both the analysts and the decision-makers are constantly faced with the conflict between the technically superior and politically feasible alternatives. After analyzing the rational mode l, comes the setting of alternatives and choosing the one that is the best amongst all.

According to some theoris ts, the rational policy-making is impossible but at the same time, this mode is useful for analytic purpose as it helps in identifying the constraints to rationality.

Q. 4. "Civil society is playing an important role in policy-making." Examine.

Ans. Civil Society Organizations in India: The Civil Society in India have always been engaged in the political and social welfare activities which grew over the years with the emergence of the religious groups and the social reform movements like the Brahma Samaj, Ram Krishna Movement, Arya Samaj, etc. Mahatma Gandhi added to this movement and gave a new dimension to the voluntary effort in India. Some Non-Government Organizations (NGOs) were also active during the freedom struggle. A large number of voluntary groups emerged during 1950s and 1960s when there were frequent floods, droughts, famines and other natural calamities.

The civil society actors i.e. the members of the community play a vital role in removing the root cause of the problems. These members are committed without profit for themselves and actively participate in the realization of goals like alleviation of poverty, illiter acy, unemployment , inequality, strengthening of national inte gration, etc.

The goal of these members is to provide quality life to the poor and oppressed people and also to help in the development planning and government prpgrammes.

In India , the CSOs are described as the civic institutions or social movements or non-profit organizations or voluntary organizations or independent advocacy group or Non-Government Organizations (NGOs). Amongst these, the NGOs play a very important role in the process and are therefore, described as the third sector involved in the development. Now-a-days, with the change in time and needs of the society, these NGOs have become more professional in the policy-making process. The NGOs are registered under the Societies Registration Act of 1860 or with the Ministry of Home Affairs, Government of India under the Foreign Contribution Regulation Act (FCRA), 1976.

There are thousands of voluntary organizations working in rural development , in human resource development, in social justice and empowerment , in health and family welfa re, in environment and forests , in culture , in youth affairs and sports, etc.

The CSOs work as watch-dogs for the government programmes by participating actively in planning and implementation of government policies and programmes. These CSOs apply their knowledge and skills and contribute to government policies and programmes. There are various types of CSOs in India which operate at the local, regional, national and international level. Let us now study the various types ofCSOs in India.

Civil Society Organizations: Typology: NGOs form a major part of the Civil Society Organizations. Therefore, it becomes necessary to study the type and organizations of NGO. CGOs are classified into their categories as follows:

***(i)* On the basis of their work**

- **Service Oriented Organizations:** These organizations provide services in the areas of health, education, family plannin g, etc. the CSOs functions by making the programme details in which the local citizen participate actively while implementation.
- **Charity Oriented Organizations:** As the name indicates, these organizations help the poor section of the society by providing clothes, food, medicines, housing , etc. and helping them meet their basic needs. Another function of these CSOs is to undertake relief activities during natural disasters like food, earthquake, cyclone, etc.

- **Empowerment-Oriented Organizations :** These organizations help in making the under-privileged section of the society realize about the socio-economic or political factors which in turn helps them to strengthen their own potential power. The involvement of the local citizens in this case is of utmost importance.
- **Participation-Oriented Organizations:** Example of participation-oriented organization is cooperatives. In these organizations participation begins with the need identification and continues during the planning and implementation stages.

ome of the CSOs are working in the tribal areas. These organizations are divided into three categories namely Techno-Managerial Voluntary Agencies, Reformist Voluntary Agencies and Radical Voluntary Agencies.

(ii) **On the Basis of Level of Operation:** On the basis of level of Operation CSOs are divided as:

- **Community based civil society organi-zations:** These organizations include women's organizations, youth organizations, religious organizations and educational organizations.
- **State/City Level Organizations:** These organizations are involved in helping the poor e.g. Chambers of Commerce and Industry and ethnic or educational groups.
- **National Level Organizations:** These organizations assist the local branches in disaster management, epidemics, etc. e.g. The Red Cross.
- **International Level Organizations:** These organizations are involved in funding the local NGOs and help in implementing the development projects for example - OXFAM and CARE.

Civil Society Organizations: Role and Functions: The Civil Society Organizations plays an important role in various programmes e.g., as a planner, implementer of development programmes, as a mediator between people and government, etc., some specific roles are performed by the civil society organizations are as follows :

- **Supporting the Government Plans/Projects:** CSOs play an important role at the time of planning. They help in selecting suitable locations for government projects and also suggest the ways of overcoming the shortcomings if any. The CSOs communicate between the citizens and the government and act quicker than a government bureauc racy.
- **Facilitating Communication in the Planning Process:** CSOs are in direct contact with the community and hence are aware of the basic needs of the citizens. CSOs facilitate communication both at the upward i.e. from citizens to the government and the downward i.e. from government to citizen level. In the process of upward communicat io n, the CSOs inform the government about the abilities of the local people and about their requirement and orientation while in downward communication CSOs help in creating awareness amongst the people about the government plans, functions and available resources. CSOs act in a coordinated way by helping in information sharing and developing networking between the other organizations involved in their field .
- **Mobilizing Local Resources and Initiatives for Proper Planning:** Another important role of CSOs is in mobilizing local resources and initiatives for proper planning. CSOs help in planning for rehabilitation and reconstruction . CSOs helps in planning and developing land, building materials supply centers, construct houses and provide infrastructure. Another field in which CSOs plan and operate is in maintenance of drinking water supply, public toilets and solid waste collection services.

- **Advocacy for Underprivileged Sections:** Civil society actors perform an advocacy role by empowering the disadvantage sections of the society and working against atrocities and injustice. They work on behalf of the underprivileged section of the society and try to influence the concerned officials and non-officials by making representations, arranging for demonstrations and by providing focus in the media. Another important function by the CSOs is to help the government in monitoring and evaluating of government policies and programmes.
- **Monitoring and Evaluation of Gover-nment Policies:** A lot of research is done by the CSOs in the field of planning for making policies and implementing the development programmes . In other words , we can say that the CSOs help in monitoring and evaluating the government policies which in turn contribute towards effective functioning of the bureaucracy and political leadership. Some NGOs also provide technical assistance and training for monitoring and evaluation.
- **Facilitating Development Education, Training and Technical Assistance:** By taking the help of the experts, the civil society act help in developing the programmes by providing technical and training facilities. Also the training for the volunteers and personnel is provided by the CSOs to NGOs.

In Ind ia, a number of civil society organizations and voluntary groups are working towards political and social welfare. Some religious groups and social reform movements includes Brahmo Smaj, Arya Samaj, Rama Krishna Mission, etc.

One such NGO is Child Aid Foundation which aims to provide comprehensive aid and care to poor and needy children to enable them to pursue and complete their educations to as high a level as they desire and are capable of achieving.

Details of the NGO is as follows:

Mission/Vision: To provide comprehensive aid and care to poor and needy children to enable them to pursue and complete their educations to as high a level as they desire and are capable of achieving.

Background: The Founder ofCAF, Dr. A. Goswami, came to India in the 1980s on a personal tour. During his extensive travel throughout the country, he repeatedly encountered many needy children. He was moved by their plight and started CAF.

Dr. A. Goswami was born, raise d, and educated in the U.S.A. He came to India in the 1980 's on personal research work. During his extensive travels , he was moved by the plight of very poor and needy children, and was inspired to help them. This motivated him to acquire Indian citizenship and start Child Aid Foundation.

Achievements: Number of children provided food, clothing, shelter, medical care shelter and medical care: 45Number of children provided education: 375

SECTION-II

Q. 8. Explain the methods and techniques in policy analysis.

Ans. Methods and Techniques in Policy Analysis: The main job of the analysts is to put forward different methods and techniques and provide alternative policy options. The techniques involves experessing with the help of graphs, diag rams, tables, decision trees or mathematical equations. Some of the common methods and techniques includes cost-benefit analysis, input-output analysis, survey methods , computer simulation and optimisation techniques, etc. All these techniques play a vital role in policy analysis. One such example in this regard is the calculation of the

compound interest technique which is used widely to find the values for different rates of interest on saving or loans for a given period of time.

The main use of these methods and techniques is for obtaining the information for policy analysis. Most of the tools of these techniques and methods are used in decision-making. In policy analysis, politics play an important role. Also equal weightage is given to the economic and technical aspect.

According to Patton and Sawicki, some problems call for quantitative analysis while others require qualitative analysis and some require both quantitative and qualitative analysis. The analysis of the problem can be done with the help of surveys and research if sufficient time is available and can be done by forecasting techniques, simulations etc. is sufficient time is not available.

The team of policy analysis uses different techniques and methods which may be expressed in the form of graphs, diagrams, tables , decision trees or mathematical equations. Some other techniques inclu des:

- Cost-benefit analysis
- Input-output analysis
- Survey methods
- Computer simulation
- Optimization techniques like linear programming, marginal analysis, etc .

Another technique is the calculation of the compound interest which is used widely to find the values for different rates of interest and saving on loans for a given period of time.

These methods and techniques hold a lot of importance in obtaining the information for policy analysis . The technical tools help a lot in the process of decision-making .

The quant itatives analysis method in policy analysis is very important as it involves a scientific and transparent process and therefore the weightage is given to the economic, technical and political criter ia.

Q. 9. Describe the methods of policy evalu ation.

Ans . Policy Evaluation : **Types Aproaches and Methods:** Policy evaluation is the most important process in the policy as it helps the policy makers to know about the utility and the outcomes of the policy. A number of approaches and methodology have been identified by the scholars to evaluate the policies.

Types of Evaluation: According to Daniel Lerner, following are the different types of evaluation:

- **Process Evaluation -** refer to whether a specific policy has been implemented in accordance with the policy guidelines or not.
- **Impact Evaluation -** refer to the attempts to evaluate the changes, in terms of goals.
- **Comprehensive Evaluation -** is the combination of both the process evaluation and the impact evaluation and is more useful in terms of public policy.

Evaluation: Approaches: Policy evaluation is concerned with the aspects like describing , judging and explaining policies , their formulation, implementation and outcomes. The routine approaches to the policy evaluation are:

- **Front-End Analysis -** refers to the kind of work undertaken before any decision.
- **Evaluability Assessment**- in this the comparison of policy's assumption is made with the stated goals and objectives of the policy.

- **Process Evaluation -** helps in describing and analyzing the processes of implemented policies , strategies adopted, cost in curred, problems faced and nature ofinteraction with the clients and other concerned organizations.
- **Effectiveness Evaluation -** helps in finding out the goodness or badness of the implemented policies, its outcome and the visible changes, etc.
- **Evaluation Synthesis Approach (ESA) -**helps in serving the there kinds of evaluation purposes i.e. formulation, implementation andaccountability.

Methods of Evaluation: There are various methods in the society for studying the structures and changes of phenomena, these may also be used as methods of evaluation. Quantitative and Qualitative approaches are used in evaluation studies in which quantitative analysis is used primarily for measuring effects and impacts and are most commonly used in policy evaluation which includes benefit cost analysis , cost effectiveness analysis, experimental designs and statistical surveys. Let us now study each type of analysis.

(i) **Benefit - Cost Analysis:** According to Stokey and Zeckhauser , benefit-cost analysis is used to evaluate public expenditure decisions. This type of analysis requires systematic enumeration of all the benefits and all the costs. The net gain is identified when the analyst subtracts the total cost of each alternative from the total sum of its benefits.

According to Rosse and Freeman (1993), the five means of monitoring benefits are:

- Market valuation.
- Direct measurement.
- Economic estimation (indirect quantification based on explicitly stated assumptions).
- Observing political choices (transforming observed political prioritization into some judged indicated monetary value.
- Hypothetical questions (asking target people , how they consider basically non-monetary benefits to be worth in monetary terms) .

(ii) **Cost-Effectiveness Analysis:** The cost-effectiveness analysis is used for evaluating various alternatives in terms of the degree to which they efficiently lead to the fulfillment of stated objectives. This type of analysis is simple compared to Benefit Cost Analysis. The most important use of this policy is comparing proposed alternative policies and for evaluating the current or previous policies. Rossi and Freeman said that analysis is similar to benefit-cost analysis (in its conventional form) but in this analysis monetizing is required only of the costs and the benefits are expressed in direct outcome units.

(iii) **Experimental Method:** Experimental Method believes in an ideal laboratory like situation in which some units are randomly selected, those who have received some services under the policy measures while others have not received it. In this method , the comparative analysis is done between the samples of different groups i.e. , those who have received and those who have received and those who have not received . Then the difference of impact is studied and the statistical method is used for testing the data for significant levels.

(iv) **Statistical Surveys:** In social research and policy evaluation survey is most commonly used method and is quite useful. In this method, information or data is collected and then analysed using the sampling techniques, questionnaires and interviews. After collecting all the variables , suitable hypothesis is developed. Different groups

possessing different characteristics like level of education, income , age, sex, etc., are selected and then changes are sought and the different characteristics of the samples are tested statistically . The three types of designs that are used to study the changes from different angles over the different time periods are trend design, cohort design and panel design.

(v) **Qualitative Methods:** The Qualitative approach is used in the situations in which the information cannot be quantified. According to Dale, a qualitative approach is necessary in the following situations:

- When it is not possible to study statistically representative samples of beneficiaries.
- When changes are the result of complex processes, involving many interrelated factors.
- For analyzing relevance , due to the value judgments involved .
- When studying the organizational issues (involve in policy implementation).

(vi) **Model Building :** A model consists of a series of tables or graphs which systematically displays and weighs the relevant data and helps in effectively evaluating the cost and benefits associated with any given policy. Some modes are made up of mathematical equations and computer simulations. These models help in gaining or evaluating the insight into the value ofa given policy or alternatives that apply their judgement and experience.

Q. 10. Discuss the disinvestment policy and highlight its impact at the state level.

Ans. Disinvestment Policy Analysis and Recommendations: The main objective behind the idea of disinvestment, restructure or privatize was to raise resources, to broad base the equity, to improve the management or to provide market discipline to the performance of the enterprises. In starting the idea of disinvestment was for a fractional equity or sale of minority shares without the change of ownership or control but later during the year 1999 to 2003, the idea shifted from disinvestment of minority share sale to strategic sale by transferring the control to private enterprise with or without change of ownership. During the year 2004-05 onwards, the disinvestment policy saw a change with sale of fractional equity and no strategic sale involving transfer of ownership/control. To sum up, we can say that the disinvestment policy took a complete turn from fractional sale to strategic sale to and back to fractional sale.

A Department of Disinvestment was set up in 1999 for institutionalising the disinvestment process. In this a policy of disinvesting government shareholding was adopted by the department. After disinvestment, the performance of many organizations improved by increasing the production and efficiency through de-bottelenecking and cost cutting.

A strong regulatory mechanism was created in order to make sure that the transfer of management control does not lead to creation of monopoly and a strategic investor was required to consult the government on the matters regarding sale, lease, disposal, exchange, etc. The privatization of PEs leads to considering the issues like reservations in employment for certain categories or promoting the national language. Also there was a need to design a policy regarding the management of the minority government shareholdings in the post disinvestment period.

Time-frame is also an important factor for the implementation of policies. The states have initiated the measures towards economic reforms or restructuring or setting up disinvestment commission. Some recommen-dations regarding the smoothening of the disinvestment process includes:

- Building national consensus

- Building coordination between the centre and the state
- Building a system of Memorandum of Understanding (MoU)
- Building a time bound system.

Building up a strong disinvestment programmes for a longer period as desirable as it will help in the improvement of investor confidence and also in crowding on the capital market and in terms of cost and time. The strategic sale has resulted in change of ownership of PEs and have improved the operational performance of some of the enterprises.

DISINVESTMENTS: STATE LEVEL PUBLIC ENTERPRISES

The steps were taken by the State Government to privatise their public enterprises. An investment of about Rs. 2,21,653crores was estimated for 911 state-level public enterprises, the aggregate data for all the states was collected, it was revealed that about 37% of the non-working or loss making enterprises were identified for restructurin g. Only a small number of enterprises in some states were running on profits.

Some states have initiated economic reforms and have also appointed disinvestments commissions. Some of these include Andhra Pradesh,Gujarat, Haryana, Himachal Pradesh, etc. Some states like Oriss a, Andhra Pradesh, etc. have utilised the assistance from agencies like World Bank, Asian Development Bank, etc. Also B.I.F.R. has provided assistance to most of the states.

Let us now study the salient features of restructure of SLPEs in various states.

(i) **Rajasthan:** Out of 24 SLPEs, only 15 showed profits and then the reorganization, strengthening and Disinvestment Committee studied 21 SLPEs and 6 enterprises were closed or privatised by the government.

(ii) **Uttar Pradesh:** Out of 41 SLPEs, 30% had been loss and 27 SLPEs were identified for disinvestment or restucture.

(iii) **Haryana:** Out of 41 SLPEs, 87% were estimated to be los t, 14 were running on losses and 22 were identified for disinvestment or restructure.

(iv) **Himachal Pradesh:** Out of2 1 SLPEs, 15 were identified for restructuring or disinvestment and many were running on losses or were non-functional.

(v) **Punjab:** Out of 53 SLPEs, 25 were running on loss and 23 were non-functional 5 were closed down.

(vi) **Madhya Pradesh:** Out of26 SLPEs, 23 were non-functional and running on losses and 14 were identified of disinvestment.

(vii) **Orissa:** Out of 68 SLPEs, 52 were running on losses or non-working and 27 were identified for disinvestment.

(viii) **Maharashtra:** Out of 65 SLPEs, 60 were non-working or running on losses number of enterprises were identified for restructuring.

(ix) **Gujarat:** Out of 54 SLPEs, 24 were identified for restructuring or disinvestment out of which the 6 were closed down as these were making losses.

(x) **Tamil Nadu:** Out of 59 enterprises, 26 showed profits for which disinvestment commission was set up by the government and loss-making enterprises were privatised. Out of them 7 units were closed down and 21 units were reorganised into 7 units.

(xi) **Andhra Pradesh:** Out of 128 SLPEs, 50% were running on losses or were non-functional and many have been disinvested.

(xii) **Kerala:** Out of 109 SLPEs, 65 were non-functional or running on losses.

(xiii) **Karnataka:** Out of 82 SLPEs 33 were generating profits and remaining were on losses or were non-functional. The government decided to privatize or close 15 SLPEs and disinvested a few others.

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